

June 27, 2016

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

**Ian A. Mondrow**  
Direct: 416-369-4670  
ian.mondrow@gowlingwlg.com

Assistant: Cathy Galler  
Direct: 416-369-4570  
cathy.galler@gowlingwlg.com

Dear Ms. Walli:

**Re: EB-2015-0267 – Enbridge Gas Distribution Inc. (EGD) Application for 2014 Demand Side Management Clearance of Variance Accounts.**

**Industrial Gas Users Association (IGUA) Response to EGD Objection to IGUA Cost Claim.**

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Pursuant to ordering paragraph 6 of the Board's May 26, 2016 *Decision and Order* herein, we write in response to EGD's letter of June 23, 2016 commenting on intervenor cost claims.

In respect of IGUA's cost claim, Ms. Austin of EGD writes:

- *the Company recognizes that the hours put forward for this matter varies [sic] greatly; with IGUA's hours being approximately 60% higher than the others combined.*

To the extent that EGD intends the foregoing statement to be an objection to the hours claimed by IGUA for cost recovery, we note that:

1. There were two other intervenors; BOMA and OSEA. Neither BOMA nor OSEA filed submissions on EGD's application.
2. A more apt comparison of time spent by the 3 intervenors (to the extent required in the context of a 17 hour cost claim by IGUA), would be to compare IGUA's preparation time with the preparation time of the 2 other intervenors (given that the other two intervenors did not file submissions). Backing out the 4.7 hours which we spent on

drafting IGUA's submissions, IGUA's preparation time claimed is 1.45 hours more than the time spent by BOMA and OSEA combined.

3. Any such analysis must also consider that OSEA's cost claim totalled \$629 (before disbursements and tax), thus contributing little to the "*combined*" total noted by EGD.
4. In respect of the driver of the bulk of the difference between IGUA's cost claim and those of the other two intervenors, IGUA filed submissions on EGD's application, addressing 6 discrete topics in 7 pages, all focussed on EGD's large industrial rate classes which apply to IGUA's members. Fully referencing the record herein, including particular EGD responses to interrogatories from both BOMA and OSEA, IGUA's modest (7 page) submission addressed, i) declining value of industrial DSM programs; ii) importance of assessing variance dispositions in context; and iii) 3 specific aspects of EGD's industrial CPSV report (appropriate redactions, missing information, evidence of free ridership).

As set out in our letter of February 18, 2016 filed herein, having considered the Board's EB-2015-0029/EB-2015-0049 *Decision and Order* in EGD's and Union Gas Limited's 2015-20 DSM Plan approval applications, IGUA has concluded that it is in the interests of its members as gas distribution rate payers to remain active in Ontario DSM proceedings such as the current application. The Board's earlier decision reversed the previous Board policy that ratepayer funded DSM programs for large volume customers (LVCs) were not mandatory, and significantly increased ratepayer funded DSM budgets for LVCs.

IGUA thus instructed that we spend a moderate amount of time in assessing EGD's instant application, and develop submissions addressing DSM issues that are now of renewed concern to IGUA's members. While not objecting to the relief claimed by EGD in the instant application (a responsible approach), IGUA offered fully referenced and well defined observations and comment, with the express intent that "*these observations will assist the Board as it assumes more direct control over the DSM program evaluation process going forward*". IGUA also argued specific and responsible recommendations for the content of future DSM VA filings (though the Board did not accept those recommendations in its decision).

The foregoing considerations indicate that IGUA's cost claim is reasonable as submitted, and that costs should be awarded as claimed.

Yours truly,

  
Ian A. Mondrow

c:     A. Mandyam (EGD)  
       D. O'Leary (Aird & Berlis, Counsel for EGD)  
       S. Rahbar (IGUA)  
       V. Mazzone (OEB Staff)  
       M. Millar (OEB Staff)

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